



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

May 21, 2008

John Hoven, Vice President of Operations and Engineering
Pelican Products, Inc.
23215 Early Avenue
Torrance, CA 90505

Dear Mr. Hoven:

RE: FINAL MONITORING VISIT REPORT - PELICAN PRODUCTS, INC. (ET06-0276)

Date of the Visit:	05/15/08
Beginning/Ending Time:	10:00 a.m. - 1:30 p.m.
Date of Last Visit:	05/31/07
Visit Location:	Torrance
Persons in attendance:	Dana Brooks, Human Resources Manager, Pelican Products, Inc. Lan Vuong, ETP Project Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	04/05/06 – 04/04/08	Agreement Amount:	\$152,425
Training Start Date	04/12/06	No. to Retain:	175
Date Training must be completed:	01/05/08	Range of Hours:	24 - 200
Type of Trainee:	Retrainee	Weighted Average:	67

FINAL REPORT SUMMARY

• HISTORY OF AGREEMENT CHANGES

The Agreement was executed on April 18, 2006, and training began on April 12, 2006. Ms. Brooks reported that all training was completed on September 21, 2007, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement - April 4, 2008.

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• **FINAL PROJECT STATISTICS**

Your Agreement contains a variable training plan, which means that reimbursement will be based on the total actual number of training hours completed by each trainee between 24 and 200 training hours. There will be no reimbursement for any trainee who does not complete a minimum of 24 hours of training from the approved curriculum.

Although Chart 1, Exhibit A of the Agreement, specified that there would be 175 trainees to be retained, Ms. Brooks reported that only 142 trainees completed training and the 90-day retention period. This resulted in a completion rate of 81 percent with approximate earnings of \$61,602 which is 40 percent of the Agreement amount.

The following chart shows a breakdown of training hours and projected reimbursement as shown on the ETP Online Tracking System:

TYPE OF TRAINING	HOURS COMPLETED	PROJECTED REIMBURSEMENT
Class/Lab	4,730	\$61,490
CBT	14	\$112
Total	4,744	\$61,602

To date, your company has received \$38,124.50 in progress payments; therefore you will receive an additional \$23,477.50, if the anticipated number to retain is verified during the final fiscal closeout.

Ms. Brooks was reminded that this Agreement ended in April 4, 2008. By the terms of the agreement the final contract closeout should have been completed within 30 days of the end term date of the Agreement. Ms. Brooks informed the Analyst that she was not able to closeout the contract by that time. The Analyst agreed to give your company an extension. The final contract closeout invoice and associated documents must be submitted to ETP on or before the close of business on June 13, 2008.

• **INTERVIEW WITH CONTRACTOR'S REPRESENTATIVE**

Ms. Brooks provided the following reason(s) why Pelican Products was unable to complete training for the 175 trainees specified in the Agreement:

- The departure of Jose Landin, ETP trainer in November 2006;
- The arrival of the new owner that focused on sales and expanding the business;
- Increased sales and increased work shifts; and
- The company was operating 24 hours a day for five days a week. Since the increase in sales, the company now operates 24 hours a day seven days a week. This resulted in problems with trainee availability due to production needs.

Ms. Brooks reported that although Pelican Products did not earn 100 percent of the available funds, the training provided increased employee skills in Continuous Improvement, Computer skills, and Manufacturing Skills, which helps ensure that the company meets the quality standards required by the industry.

She also stated that she did not experience any problem with ETP record keeping and that ETP staff was very helpful in providing assistance in the administration of this project.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	166	Completed Training:	142
Trainees Enrolled:	166	In Retention Period::	0
Dropped Following Enrollment:	24	Completed Retention	142
Completed Minimum Hours for reimbursement:	142		

The project statistics provided by your staff matches those listed on the ETP Contract Status Report.

TRAINING RECORDS

Ms. Vuong conducted a random sampling of 11 trainees who completed training. Records reviewed validated the completion of the training hours required in this Agreement. Records show that these trainees completed between 24 and 72 total training hours and the completed hours matches those posted on the ETP Online Tracking System. Records reviewed confirmed that the Agreement curriculum was provided as specified and the ratio of trainer to trainee delineated in the Agreement training plan was adhered to.

The above findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. Therefore, it is your responsibility to ensure that all training records comply with Panel requirements for auditing purposes. (Reference: Title 22 California Code of Regulations, Section 4442)

AUDIT

Your company will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk review. These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters.

To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

Please contact Lan Vuong within ten (10) working days at (818) 755-1306 or by email at lvuong@etp.ca.gov if you have any questions or comments.

Sincerely,

Signature on File

Dolores Kendrick, Manager
North Hollywood Regional Office

Signature on File

Lan Vuong, Project Analyst
North Hollywood Regional Office

cc: David Guzman, Chief, ETP Program Operations Division (via email)
Dana Brooks, Human Resources Manager, Pelican Products, Inc. (via email)

Master File
Project file

Date report mailed to Contractor _____